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Foreign Crops and MARKETS



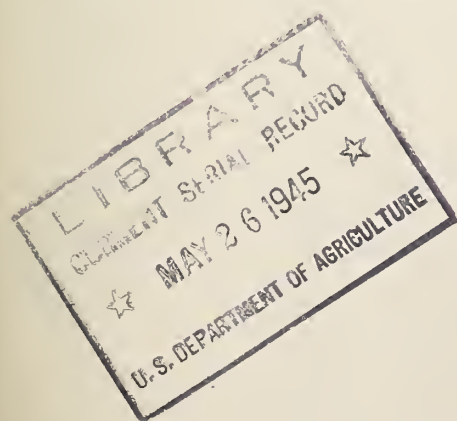
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SOUTHERN HEMISPHERE CROPS REDUCED BY DROUGHT

Drought conditions have materially reduced the production of foodstuffs in the Southern Hemisphere - an important surplus-producing region for livestock and meat products and grain just at the time of the greatest need for food in the countries of liberated Europe. A substantial reduction in food production is reported from such exporting areas as Argentina and Brazil. Drought damage is reported also from Australia and the Union of South Africa. European countries normally take the bulk of the foodstuffs exported from the Southern Hemisphere.

Present indications are that drought conditions will tend to reduce Southern Hemisphere export supplies of meats and dairy products from the high levels of recent years. Grain supplies also have been reduced, particularly wheat and flour from Australia and wheat and feed grains from Argentina. These reduced grain supplies, especially in the case of Australia, have made necessary a revision of many of the supply programs for the Pacific area. Associated with the drought in Australia have been the sharply reduced acreages resulting from the lack of fertilizers, shortages of manpower, and other factors. Similarly in Argentina, the reduced acreages, particularly of corn and wheat, were factors, as well as the drought, in reducing production this season.

Unfortunately, the lack of fuel in Argentina has necessitated a heavy burning program of agricultural surpluses, such as corn, oilseeds, and protein meals, which reduced or eliminated the carry-over surpluses in that country at a time of smaller crops and urgent foreign needs. On the other hand, Argentina has a considerable carry-over of wheat available for export.

Argentina's recent drought started in mid-1944 and continued until September 26, when it was broken temporarily by heavy rains continuing through October. In November the drought returned and lasted until the end of January 1945. The major crops adversely affected were wheat, flaxseed, and corn. The 1944-45 wheat crop of 156 million bushels, harvested in November and December, was about 30 percent under the average of 244 million bushels for the 5-year period ended with 1938-39. Recent outturns have ranged between 200 and 300 million bushels. Even with the reduction in current production, however, the estimated

carry-over of 184 million bushels on January 1, 1945, should assure a supply of 340 million bushels, which would provide a substantial quantity available for export.

The flaxseed crop was the smallest since 1917-18, amounting to only 30 million bushels, or about half of the usual outturn. Normally, Argentina exports most of its flaxseed crop. During the 5 years ended with 1939 the exports averaged 59 million bushels out of an average annual production of 67 million bushels. The crushing program and the small new crop this year made it necessary for the Government to prohibit the export of flaxseed beginning November 30, 1944.

The first official estimate of the 1944-45 corn crop, now being harvested, is 121 million bushels, or little more than one-third of last year's production of 344 million bushels. April 1 carry-over stocks were estimated at 100 million bushels, but with this year's reduced crop, the surplus is considerably lower than last year. Should large supplies again be needed for fuel, the surplus would be reduced still further, or it might even be absorbed entirely.

Cotton, rye, barley, and rice also suffered from the drought. The first official estimate places this year's cotton crop at only 323,000 bales of 478 pounds each, compared with last year's record crop of 553,000 bales. Despite a reduction of more than 50 percent in the rye crop, a small exportable surplus is available. The small rye crop is attributed mainly to the unusually large diversion of acreage to grazing to offset drought damage to pastures. The barley crop was about 20 percent under that of 1943-44. Sufficient rice is expected for domestic requirements, but there will be no exportable surplus except possibly of some broken rice.

Pasture conditions in general have been unfavorable throughout the grain and livestock zones. Cattle have been marketed at less than average weights, but on the whole the livestock industry has not suffered greatly in comparison with the grains. Butter production for the 4 months, July-October 1944, showed a decline of about 20 percent below the corresponding period of 1943.

Drought appeared in central and southern Brazil as early as March and April of 1944 and persisted until the last half of October. October rains broke the drought temporarily, but it reappeared in November and continued through April, when the regular dry season normally begins. The State most affected was Rio Grande do Sul, one of the chief food-producing areas of Brazil.

In the area around Bagé in Rio Grande do Sul, considered one of the best cattle producing and fattening sections of the State, pastures are currently in extremely poor condition and the weight of slaughter cattle is reported to be as much as 25 percent below normal. Reports indicate that nearly all meats processed for export by frigorificos there will be packed as corned beef and hot packs, because of the poor condition of the cattle and the high price of these canned meats. Packers want to extend the slaughter period until the end of June, claiming cattle will die on the range unless slaughtered.

A reduction of the corn crop will reduce the output of pork. There is an estimated reduction of 40 percent in the 1944-45 corn crop of Rio Grande do Sul. Other corn-producing States expect large crops, but not enough to overcome the deficiency in the south. Increased numbers of hogs have made a heavy demand upon stocks.

The States of Minas Geraes and São Paulo expect record rice crops this year. If the favorable weather now being experienced in those States continues and production reaches present expectations there, the 1945 crop for all Brazil may be larger than last year's production, despite the small crop in Rio Grande do Sul. A 30- to 35-percent reduction is expected in the Rio Grande do Sul crop, now estimated at about

14.7 million bushels of rough rice. Although rice-crop prospects for the country as a whole are rather favorable, the Government has applied a ban on exports of rice and other foodstuffs. The ban took effect in March and was to continue for 6 months.

Late plantings of cotton in São Paulo because of the drought, and the irregular weather conditions experienced after plantings, will probably result in a substantial reduction in this year's cotton crop in Southern Brazil. According to trade estimates, production there is expected to be about 1.7 million bales (478 pounds per bale) of ginned cotton, a reduction of 20 percent compared with the 1943-44 crop.

Due to the dry spell during December and January, and attacks of a wheat rust (Puccinias), Uruguay's wheat crop was about 46 percent under that of last year, being estimated at 6.1 million bushels compared with 11.0 million bushels last season. The carry-over stocks of approximately 1.7 million bushels, plus this year's estimated production, will not be sufficient to meet the country's requirements of about 9.9 million bushels. Oat and barley crops show a decrease of 57 percent and 36 percent, respectively. The rains of early February greatly benefited the pastoral industry, and cattle and sheep are now in excellent condition.

Yields of corn in Paraguay are somewhat larger than last year, but the cotton crop will be smaller because of the drought. Recent rains have improved pastures, and the condition of animals for slaughter is fair.

While late summer rains during January and February gave temporary relief to many coastal areas in Australia, the drought, which began in the interior early in 1943, cannot yet be said to be broken. The most serious effects have fallen on the wheat- and sheep-producing areas. Lack of rains during the next few months would result in even greater declines in the production of wool, meat, and dairy products than occurred in the 1944-45 season.

The 1944-45 wheat crop of 53 million bushels was only one-third of the pre-war average. Even after drawing on stocks of 76.5 million bushels, it has been necessary

to halt all exports of wheat, except to the various Pacific Islands and for the armed services, in order to provide for minimum local needs. In addition, the use of wheat for the manufacture of alcohol had to be prohibited, and its use for stock feed has been strictly rationed. The wheat acreage goal for 1945-46 has been set at 11.5 million acres, an increase of almost 50 percent over 1944-45.

Like the wheat crop, the barley, oat, corn, and hay crops were greatly below those of the preceding year. As a result, feed grains and fodder are in very short supply throughout all of eastern Australia. In order to help offset the short feed supply, the importation of considerable quantities of feed grains from Canada and hay from New Zealand has been approved by the Commonwealth Government. At the end of March, however, none of this grain and only a small supply of the hay had arrived.

Sheep losses have been fairly heavy in some areas, and graziers are now going into the winter season with extremely short feed supplies. The small quantity of wheat allocated for sheep feeding is used to maintain stud stock. It is estimated that the 1944-45 wool clip will be from 10 to 15 percent below the 1943-44 yield and that, for the first time since the war, it will fall below one billion pounds. Because of stock losses and retarded wool growth, a further decrease in the 1945-46 clip is expected.

Most of the drought-stricken dairy areas were substantially benefited by the January and February rains. As a result, the downward trend of dairy production, which was especially severe in November and December 1944, has been halted. Milk production in the 7 months ended January 1945 was 15 percent below that of the corresponding period in the preceding season. Even with improving conditions, however, the 1944-45 production is not likely to attain 1943-44 levels.

Butter and cheese production have declined with milk production, but exports of these products have been maintained at levels above 1943-44. In the first 7 months of the 1943-44 season, exports of butter

totalled 60,264,000 pounds and exports of cheese 20,124,000 pounds. In the July-January period of 1944-45 exports of these products amounted to 63,466,000 pounds and 21,560,000 pounds, respectively.

The full effects of the drought on meat production cannot be measured as yet. Sheep and lamb losses have been heavy, but the main beef producing areas, in Queensland, are outside the area most affected by the drought. Preliminary estimates indicate that meat production in 1945 will be almost 10 percent less than the 1944 output. A 9-percent reduction in meat rations was made in February to enable the Commonwealth to fill its commitments to armed services in the Pacific area and to the British Ministry of Food.

High winds and dust storms during the blossoming and setting period of the current fruit season, combined with the drought to produce a subnormal deciduous fruit crop. The 1944-45 apple crop is estimated to be nearly 40 percent below the 1943-44 crop, or 7,649,000 bushels. The pear crop is estimated at 2,130,000 bushels, or about 10 percent less than that of 1943-44.

Foodstuff production in New Zealand, fortunately, has not as yet been adversely affected by the drought. Dairy production in the first months of 1945 in this Dominion has in fact been above the levels of the corresponding months of last year, due in part to better weather conditions. An effort is being made to increase New Zealand grain production also, because of the shortage in Australia, whence New Zealand normally supplemented its own production of grain, particularly wheat.

Drought conditions in the Union of South Africa have produced a serious shortage of grain, meats, and dairy products. The meat shortage, which has been chronic for the past 3 years, has been intensified, while the shortage of grains and butter has become acute. Fruit production, however, was not affected.

The 1944-45 corn crop is estimated at only about 60 million bushels, or 75 percent of average pre-war production. On February 21, 1945, restrictions were announced on the use of corn for stock feed and for human

consumption. In March and April the quantities of corn that could be fed to dairy cows and hogs were considerably reduced and producers were requested to shift to the use of oats and barley. Since corn is the main item of diet for the native population of South Africa, the short corn crop is of great significance to the welfare of the most numerous group of the Union's population.

The 1945 wheat crop is estimated at 14 million bushels, about 80 percent of pre-war average production, compared with

requirements of 20 million bushels. Even taking carry-over stocks into account, it will be necessary to import about 2.6 million bushels.

Butter production in the Union in 1944 declined 13 percent from the previous year, and a serious butter shortage is anticipated during 1945. The Government has approved a plan to construct three margarine factories, each with an approximate capacity of 5 million pounds a year, in order to supplement the butter supply.

Maurice Wright

Constance H. Farnworth

WORLD DRIED-FIG PRODUCTION IN 1944 LARGEST SINCE 1941

The preliminary estimate of dried-fig production during 1944 in the leading commercial producing countries is 198,100 short tons, compared with 176,600 tons in 1943 and 178,400 in 1942. This estimate represents a 5-percent decrease from the 5-year (1938-1942) average but a 3-percent increase over the 10-year (1933-1942) average. Production estimates larger than the previous year are recorded for Algeria, Italy, and Turkey, normally among the most important exporters of figs. Smaller crops were reported in Greece, Portugal, and the United States. Production during 1944 in Argentina and South Africa shows little change from the normally small output of those countries.

FIGS, DRIED: Estimated total production in specified countries, 1944 with comparisons
(Rounded to nearest 100 short tons)

YEAR	ALGERIA	ARGEN- TINA	GREECE	ITALY	PORTU- GAL	SOUTH AFRICA	TURKEY	FOREIGN TOTAL	UNITED STATES	WORLD TOTAL
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
Average										
1938-1942:	18,700:	600:	25,000:	93,200:	8,400:	100:	32,800:	178,800:	30,200:	209,000
1933-1942:	18,000:	a/	22,900:	83,800:	6,400:	100:	33,900:	b/165,100:	26,800:	b/191,900
Annual										
1938	20,400:	300:	24,000:	119,800:	7,700:	100:	35,000:	207,300:	31,500:	238,800
1939	19,100:	800:	25,000:	73,400:	6,600:	100:	38,600:	163,600:	26,000:	189,600
1940	20,800:	300:	31,900:	107,400:	7,700:	100:	32,000:	200,200:	32,000:	232,200
1941	18,600:	1,400:	23,100:	80,200:	11,000:	100:	38,500:	172,900:	33,500:	206,400
1942	14,800:	300:	20,900:	85,400:	8,800:	200:	19,800:	150,200:	28,200:	178,400
1943 c/	17,200:	400:	16,500:	66,000:	12,100:	200:	27,500:	139,900:	36,700:	176,600
1944 c/	20,900:	400:	13,200:	88,000:	9,400:	200:	d/33,000:	165,100:	33,000:	198,100

Compiled from official and trade sources.

a/ Not available. b/ Argentina not included.

c/ Preliminary estimate. d/ Revised.

The production of dried figs is not confined to the eight countries shown in the above tabulation. Spain has a fairly large production, and occasionally exports dried figs, but data on the industry have not been obtainable for some years. Virtually all of the Mediterranean countries produce some figs, but production in most of them is

small and almost exclusively for the domestic market. Elsewhere in the world, small plantings are found also in many Latin American countries, in the Near and Far East, and in Australia.

During the 1944-45 marketing season, exportable surpluses of commercial importance existed only in Turkey and Portugal.

The limited imports into the United States so far this season have been from these countries. Production in other countries for all practical purposes may be considered as having been consumed domestically. In pre-war years, international trade in dried figs was exceeded only by raisins, currants, and prunes. The leading markets were the Western European countries.

The industry has come through the war in reasonably good shape, though in some countries, marketing organizations have been badly disturbed. It is to be expected that dried figs will quickly regain their normal place in the trade of the Mediterranean

Basin. The demand for all kinds of food in Europe for a number of years to come will be extremely heavy. After the immediate European food problem is solved, however, the dried-fig industry is likely to find itself confronted with a serious marketing problem. It may be expected that the leading foreign producing countries will put forth strong efforts at that time to re-enter the United States market in competition with California figs. (A more complete survey of the 1944 dried-fig situation, by producing areas, is available upon request to the Office of Foreign Agricultural Relations.)

W. R. Schreiber

LATE COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS, AND FEEDS

CANADA'S INTENTIONS INDICATE SMALLER WHEAT, BUT LARGER FEED-GRAIN ACREAGE

Canada's spring wheat acreage would be about a million acres smaller than a year ago, though it would still exceed the goal by almost a million acres, if farmers' intentions to plant as of May 1 were carried out. Acreage of oats and barley would, on the contrary, be increased by about 0.7 million acres each. Planned changes in other grain acreages were minor.

Smaller wheat seedings would be in line with the Government's policy of reducing wheat acreage and increasing feed grains, as announced last December. The reduction indicated for spring wheat, however, is not enough to bring the acreage down to the goal of 21.5 million acres set for all wheat. Present intentions point to a total acreage of about 22.4 million, compared with the 1944 area of 23.3 million acres.

A month ago it seemed likely that the wheat acreage would exceed considerably the recommended acreage. Extremely unfavorable weather since that time, however, has altered prospects. The bulk of the reduction is expected in Manitoba's acreage, which is now expected to be about 20 percent less than a year ago. The reduction in Alberta is placed at about 4 percent and in Manitoba

the indicated change is negligible. Actual wheat acreages seeded have exceeded the intentions over a period of years.

CANADA: Intended acreage of grain and summer-fallow, 1945 with comparisons

CROP	1944	1945 GOAL	INTENDED SEEDINGS 1945 a/
	: 1,000 acres	: 1,000 acres	: 1,000 acres
Fall wheat b/	: 668	: c/	: 662
Spring wheat	: 22,616	: c/	: 21,752
Total wheat	: 23,284	: 21,500	: 22,414
Oats	: 14,315	: 16,000	: 15,057
Barley	: 7,291	: 8,038	: 8,072
Rye	: 648	: 500	: 560
Mixed grains	: 1,518	: 1,518	: 1,519
Summer-fallow	: 19,428	: -	: 19,236

From reports of the Dominion Bureau of Statistics, Ottawa.

a/ Intentions to plant as of April 30.

b/ Harvested area 1944, area for harvest 1945.

c/ Not reported separately.

The intended oat acreage falls short of its goal by about a million acres, while barley and mixed grains conform to the Government's plan. The area intended to be summer-fallowed is also somewhat less than the goal.

Indicated changes in the oat acreage are about equally divided among the three Prairie Provinces. The largest increase

in barley is expected in Alberta, with Saskatchewan and Manitoba also expecting increases of around 10 percent.

ECUADORAN RICE PRODUCTION

The 1945 Ecuadoran rice crop is tentatively estimated at 5,200,000 bushels (150 million pounds milled) compared with the final estimate of 6,075,000 bushels (175 million pounds) a year ago. The forecast was revised upward as a result of recent rains that relieved the drought conditions in some producing areas. It is expected that about one-half of this year's production, or about 75 million pounds, may be available for exportation, primarily to Cuba and Venezuela.

DROUGHT PREVENTS INCREASE IN CUBAN ACREAGE

A drought in Cuba during the planting season prevented an increase of rice acreage in 1945. The Government distributed rice seed and campaigned for a larger production, but, because of the inability to plant the desired acreage during the dry weather, the output is expected to be no more than in 1944. About 1,700,000 bushels were harvested last year.

VEGETABLE OILS AND OILSEEDS

CANADIAN FLAXSEED ACREAGE EXPECTED TO BE REDUCED

According to an official survey of April 30, 1945, Canadian farmers intend to plant 1,212,000 acres of flaxseed for harvest during the fall of this year. This is a decline of 8 percent from the 1944 acreage and 60 percent below that of 1943. The most notable decrease is in the Province of Saskatchewan, with 826,000 acres as against 939,000 in 1944 and 2,084,000 in 1943.

When the National Barley and Flax Committee met in Winnipeg on February 22, the importance of the production of flaxseed was stressed. The Committee recommended that the basic price be increased from \$2.75

to at least \$3.25 per bushel or that farmers be paid a bonus for every acre planted to flaxseed. Apparently the Canadian Government has taken no action.

GUATEMALAN 1944 OILSEED PRODUCTION AT SAME LEVEL AS 1943

While official estimates are not yet available for the 1944 production of oil-bearing crops in Guatemala, reliable sources indicate that the last year's output was about on the same level as 1943, with the exception of soybeans and sesame, which showed slight increases. Indications are that the 1945 plantings will be somewhat greater than last year's, because of the increasing domestic demand.

Sesame is the most important oilseed crop grown in Guatemala, and production has increased greatly during the war years. The 1944 output appears to have been about 3,100 short tons, which is somewhat larger than that of the previous year. The principal area of production is the Department of Santa Rosa.

The 1944 output of cottonseed, the second ranking source of oil, is believed to have been about 1,850 tons. Cotton is grown principally along the Pacific Coast in the Departments of Retalhuleu and Suchitepéquez.

Peanuts, which are mostly grown along the Pacific slope and in the valleys around Antigua and Amatitlan, are the third most important source of vegetable oil in Guatemala, and the 1944 production is unofficially estimated at about 800 tons. The prevailing varieties are the "Jumbo" and "Valencia," with occasionally a farmer growing "Spanish."

There is a relatively small production of soybeans in Guatemala. The 1944 output probably was not above 100 tons. Indications are that this crop will continue to increase on a moderate scale in the future. The soybeans are consumed as food and in feeding livestock and so far apparently have not been given particular attention as an oil-yielding crop.

Guatemala has a small production of castor beans, but there is little or no

commercial planting, the limited amount of beans gathered coming entirely from small patches planted by farmers or from wild plants. Most of the small production is utilized by local soap factories.

There is a good domestic demand for palm nuts, which are gathered from wild trees found growing in the coastal areas. Difficulties in cracking the nuts have apparently precluded a more widespread utilization of palm-kernel oil. Copra is not commercially produced for oil extraction. Coconut palms grow wild in the coastal areas in limited quantities, but the coconuts gathered are consumed for food.

The production of oilseed crops, most of which is in the hands of small farmers, is largely consumed within the Republic, with small quantities of edible oils, compounds, and lard imported to meet domestic requirements. Facilities for processing oilseeds in Guatemala are limited. There are four crushing plants, having a total capacity of 15 tons of seed per day. Although the expressing equipment is a number of years old, oil satisfactory for consumption as cooking oil in the domestic market and use in soap making is produced.

INDIAN PEANUT PRODUCTION SMALLER THAN ANTICIPATED

India's final estimate for 1944-45 peanut production is 3,987,000 short tons from 9,841,000 acres compared with last season's harvest of 4,282,000 tons from 9,808,000 acres. Although this year's acreage is the largest ever reported, the output is about 7 percent below that of last season.

ARGENTINE PEANUT PRODUCTION BELOW EXPECTATIONS

The first official forecast for Argentine peanut production is 345 million pounds, compared with the corresponding one of 418 million in 1943-44 and the final estimate of 438 million pounds. The current harvest is much smaller than anticipated, as the sown acreage is the largest on record, and the third estimate of 436,600 acres is only 0.3 percent below the first forecast. The

lower yield is due to drought that prevailed during the growing season (November-March). It is now thought that the loss in acreage will be at least 20 percent.

ARGENTINA: Area and production of peanuts, 1944-45 with comparisons

YEAR	AREA	PRODUCTION
	Acres	1,000 pounds
1940-41	185,325	134,481
1941-42	182,113	182,100
1942-43	305,314	211,728
1943-44	358,742	438,495
1944-45a/	436,626	b/ 344,910

Compiled from official sources.

a/ Third estimate. b/ First estimate.

COTTON AND OTHER FIBERS

EGYPT'S COTTON EXPORTS LAGGING

Exports of cotton from Egypt during the 7 months, September-March 1944-45, were equivalent to only 340,000 bales (of 478 pounds net) as compared with 585,000 bales for the corresponding period a year ago. This decline in trade is attributed largely to the prevailing high prices of Egyptian cotton, supported by local speculative buying. High prices are also influenced by the prospects for sales of cotton in the liberated countries of Europe. Stocks of Egyptian cotton in the United Kingdom, Egypt's principal export market, are sufficiently high that additional imports are not urgent.

Domestic consumption of cotton continued its upward trend this year and amounted to 116,000 equivalent bales during the 7 months under review, compared with 101,000 bales a year ago. Egyptian law prohibits the importation of cotton or cottonseed. Mill consumption is thus composed entirely of domestically grown cotton.

The cotton carry-over in Egypt was estimated at 1,843,000 equivalent bales at the end of August 1944, considerably less than the 2,032,000 bales reported a year ago. With the addition of the 1944 crop of 929,000 bales and a reduction in exports this year, however, the stocks on hand March 29, 1945, estimated at 2,315,000 bales,

were 269,000 bales higher than those of a year ago. This is nearly three times as large as average production during the war years, 1942-1944. A considerable part of the stocks in Egypt are owned by the British Ministry of Supply. Stocks of Karnak are especially heavy, as that variety constituted about 60 percent of the area planted in 1944.

Unfavorable weather caused a delay of about 2 weeks in planting the 1945 crop, and it was necessary to replant 60 to 70 percent of the area planted in February. Water for irrigation is at a normal level and the condition of the crop was good in March. The new crop is expected to equal or exceed the 1944 crop of 929,000 bales, as acreage is believed to have increased by at least 5 percent.

WEEKLY COTTON PRICES ON FOREIGN MARKETS

The following table shows certain cotton price quotations on foreign markets, converted at current rates of exchange.

COTTON: Price of certain foreign growths and qualities in specified markets

MARKET LOCATION, KIND, AND QUALITY	DATE 1945	PRICE PER POUND
		Cents
Alexandria (spot)		
Ashmouni, F.G.F.	5-3	30.06
Giza 7, F.G.F.	5-3	34.24
Karnak, F.G.F.	5-3	32.99
Bombay (May futures)		
Jarila	5-5	15.71
Bombay (spot)		
Kampala, East African	5-5	32.66
Buenos Aires (spot)		
Type B	5-5	16.34
Lima (spot)		
Tanguis, Type 5	5-5	15.78
Recife (spot)		
Mata, Type 5	5-4	12.68
Sertao, Type 5	5-4	13.50
São Paulo (spot)		
São Paulo, Type 5	5-4	13.75
Torreón (spot)		
Middling, 15/16"	5-5	18.01

Compiled from weekly cables from representatives abroad.

BELGIUM'S FIBER-USING INDUSTRIES SUFFERED LITTLE WAR DAMAGE

The textile manufacturing industries of Belgium sustained very little damage directly from military activities, but were effectively put out of operation by severe shortages of raw materials and labor and by wartime disruption of normal trade channels.

The cotton-spinning industry lost about 100,000 spindles, or 5 percent of the number installed at the beginning of the war—1,995,000 spindles. This industry, with an annual consuming capacity of nearly half a million bales of cotton, was almost entirely idle after liberation until April, when the arrival of small quantities of cotton permitted resumption of mill operations on a limited scale.

The flax-manufacturing industry also suffered about a 5-percent loss with the destruction of 200 weaving looms. Most of the industry's flax supplies are produced in Belgium. Stocks of scutched flax on hand early in April were estimated at about 55,000 short tons. Low official prices, however, were reported to be retarding operation of the manufacturing industry, as flax owners were holding their stocks. At full capacity the Belgian linen industry can produce 175,000 square yards of linen cloth daily, 55,000 square yards of light sail cloth and tarpaulins, and 33,000 square yards of heavy sail cloth.

All the rayon plants in Belgium suffered some damage from bombs, but the damage was light. The industry had sufficient wood pulp in December 1944 to operate 1 or 2 months but is dependent on foreign sources for additional supplies. Necessary supplies of sulphuric acid and carbon sulphur are normally manufactured from imported raw materials and are difficult to obtain at the present time. The capacity of the industry was increased during the war by the addition of a staple-fiber plant with a production capacity of 44 short tons daily.

There was some damage done to jute-mill buildings in 1940, but damage to the equipment was negligible. About 880 short tons of jute were on hand when the country was liberated, but this stock was virtually

exhausted by April. The capacity of the industry is about 5,500 tons of yarn monthly and 3,900 tons of fabrics.

BRAZILIAN RAMIE PRODUCTION DECREASING

A crop of about 1,764,000 pounds of ramie fiber was produced in São Paulo, Brazil, during 1944, on an area of nearly 9,000 acres. The acreage planned for 1944 was close to 25,000 acres. Growers report that present prices are too close to the cost of production for cultivation to be profitable.

The first Brazilian production of ramie in commercial quantities was about 1935, but little interest was shown until a fiber scarcity threatened with the outbreak of war in the Pacific area. Rootstocks were then distributed to farmers, and plantings in 1942 were more than double those of the preceding year. Cultivation has not been particularly successful in Brazil because of the difficulties involved in preparing the fiber for market. Hand labor is scarce and expensive compared with the price of ramie, and the product of the available retting machines is not entirely satisfactory in quality. The present reduction in acreage is the result of both fewer new plantings being made and more old plantings being allowed to die out.

FIBER PRODUCTION IN HONDURAS

The first commercial production of abaca in Honduras began with the exportation of nearly 945,000 pounds of fiber during the last 3 months of 1944. About 5,000 acres were planted to abaca during 1943. Drought during several months early in the following year delayed maturity of the plants, but the 1945 output of fiber is expected to average about 900 pounds per acre.

Exports of roselle fiber only slightly exceeded 6,000 pounds. The small amount is the result of general abandonment of plantings near La Ceiba on the north coast. Exports of loofas increased to 63,000 pounds, compared with 5,600 during the preceding year.

TOBACCO

PERU GROWS MORE TOBACCO

* Peru's 1944 tobacco crop amounted to about 3,909,000 pounds from 3,605 acres, as compared with 3,737,000 pounds from 3,388 acres in 1943. Production during the 5-year period, 1938-1942, averaged 2,295,000 pounds. In recent years, growers have been encouraged by the country's Tobacco Monopoly to increase their plantings, in order to meet greater demands for tobacco products.

The Monopoly exercises control over the Peruvian tobacco industry, including acreage planted, and manufacture, imports, and sales of tobacco products. This organization also establishes fixed prices for leaf tobacco produced within the country. Prices paid to growers in the Tumbes region, which produces about 80 percent of the total crop, averaged 7.7 cents per pound for first-grade leaf from the 1944 crop, as compared with 6.8 cents in 1943, and 6.1 cents in 1941. Prices for the corresponding grade from the 1945 crop have been set at 9.1 cents. Most of the tobacco grown in Peru consists of air-cured varieties of both domestic and foreign origin.

Tobacco consumption has shown steady increases in recent years. In 1944, consumption of cigarettes totaled 1.4 billion pieces, as compared with 1.3 billion in 1943, and an average of only 0.9 billion during the period 1938-1942. Consumption of imported brands of cigarettes has increased more rapidly than consumption of locally made brands. Consumption of cigars amounted to 1,749,000 pieces in 1944, as compared with 1,474,000 pieces in 1943, and an average consumption of 1,175,000 during the period 1938-1942. Domestic manufacture accounts for about 95 percent of the cigarettes and 87 percent of the cigars consumed in Peru. Consumption of pipe tobacco averages only about 5,500 pounds per year, and there is no consumption of chewing tobacco and snuff. Per capita consumption of tobacco products is limited by the generally low scale of wages prevailing, although greater prosperity during the war has stimulated their use.

Substantial imports of leaf tobacco are required for use in blending with domestic leaf in the manufacture of quality tobacco products. Most of the leaf imports originate in Cuba and the United States. Imports of leaf amounted to about 600,000 pounds in 1944, compared with about 360,000 pounds in 1943. Imports of cigarettes amounted to 88.7 million pieces in 1944, as compared with average imports of 52.1 million during the period 1941-1943. Most of the cigarettes originated in the United States, and there is an expanding market for popular American brands. Imports of cigars, principally from Cuba and Jamaica, amounted to 213,000 pieces in 1944, and to 179,000 pieces in 1943. Imports of products other than cigarettes and cigars are insignificant.

LIVESTOCK AND ANIMAL PRODUCTS

CATTLE MARKETING HEAVY IN CENTRAL BRAZIL

Central Brazil is experiencing a virtual glut in the cattle market. The big packing companies are unable to handle the stock that is being offered and are refusing to consider further purchases before the middle of June. Prices have declined in recent weeks from 8 to 10 percent. The break in the market was fundamentally due to the heavy inventories of cattle in the fattening areas and the unusually good pasture conditions in recent months. Other immediate factors that tended to precipitate the break in the market for fat cattle were the break in the speculative market for "Zebu" bulls, the revision downward in loan valuations placed on cattle by the Bank of Brazil, and the approach of the dry season.

The increased marketings have greatly relieved the meat situation in central Brazil, and the wholesale and retail price increases permitted early in the year may not now be maintained.

Breeders and fatteners in central Brazil have for many months been holding back on sales in the expectation of higher prices for their cattle. Favorable loan policies on the part of the Bank of Brazil had enabled the cattlemen to carry their stock

for later marketing. Because of the unusually good pastures in central Brazil, the cattle are arriving at market at weights well above those of 1944. The Bank of Brazil, which had been loaning extensively against cattle, revised many of its valuations upon the discovery that, in the case of the bulls in particular, fantastic estimates had been submitted and accepted as a basis for loans. The price of "Zebu" bulls has dropped to less than one-third of its peak, and this has apparently exerted some financial pressure on cattle dealers who have been obliged to sell.

The difficulty in which some individuals have found themselves is such that they have resorted to stealing the cattle of relatives and offering them for sale. One packing company has on its hands at present two court injunctions involving such thefts. A bankruptcy amounting to the equivalent of \$200,000 has been reported among the cattle dealers, and rumors are in circulation that notes amounting to \$10,000,000 have been dishonored recently in the cattle zones.

The result has been a general attempt to unload cattle, now that it is apparent that the peak has passed. This has given the packing houses cattle in excess of the number they can handle, particularly as many of them, during the period of extreme scarcity, had greatly reduced their staffs and are not in a position to recall the men. The flood of cattle had been such that it would be readily feasible for the Government to release its restrictions and add another meat day per week but it has so far refused to do so for fear that the approaching dry season may cause another shortage of meat, which would make it necessary that the meatless day be reestablished.

UNITED KINGDOM ALLOWS MORE FEED FOR HOG AND POULTRY PRODUCTION

In view of the close of hostilities in Europe and the increasing severity of the world meat shortage, the British Government has examined the possibility of encouraging an expansion of production of pork, bacon, and eggs. According to an announcement made

on April 21, that Government now considers that it will be practicable to make some improvement, from June 1, in the scale of rationed feedstuffs for pigs and poultry. Additional supplies are also being allocated to pigs and poultry in Northern Ireland.

The objective is to effect an increase in the supply of home-produced pork, bacon, and eggs, from the early part of 1946 onward. In order to achieve this, the Government hopes that breeders will revise immediately their breeding programs to accord with the increased supplies of feedstuffs that are being made available. In particular, more sows and gilts should be kept for farrowing, and any young pigs now being sent for premature slaughter should be fattened to normal weights. The current hatching season for poultry should be extended, and the Government hopes that breeders will also make plans for more extensive hatching in the autumn.

The relaxation in allocation applies to purchased feedstuffs, as the use of home-grown feeds is not under control. During the past 2 years, British farmers have been

limited in feeds purchased for hogs and poultry to rations needed for one-eighth of pre-war numbers, less certain acreage deductions. The April 21 announcement provides that for pigs from June to October 1945 rations will be calculated on the basis of one-fifth of pre-war numbers, that from November 1945 to April 1946 rations will be calculated based on one-fourth of pre-war numbers, and that in May 1946 and thereafter until further notice rations will be based upon one-third of pre-war numbers.

In the case of poultry, basic rations for purchase for September and October will be calculated at one-fifth of pre-war numbers, from November 1945 to April 1946 at one quarter of pre-war numbers, and from May 1946 thereafter until further notice at one-third of pre-war numbers. Certain improvements in chick-feed rations from June through December have been allowed.

The new regulations also provide that there will be no acreage deductions as in the past, and small farmers growing not more than 2 acres of wheat are allowed to retain the entire crop for feeding their own birds.

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